

**DEPARTMENT OF SOCIAL AND HEALTH SERVICES
HEALTH AND RECOVERY SERVICES ADMINISTRATION
Olympia, Washington**

To: Outpatient Hospitals
Managed Care Organizations

Memorandum No: 06-47
Issued: June 30, 2006

From: Douglas Porter, Assistant Secretary
Health and Recovery Services
Administration (HRSA)

For information, contact:
800.562.3022 or go to:
<http://maa.dshs.wa.gov/contact/prucontact.asp>

Subject: Outpatient Hospitals: Program and Fee Schedule Updates

Effective for dates of service on and after July 1, 2006, the Health and Recovery Services Administration (HRSA) will:

- Update the Medicare Physician Fee Schedule Data Base (MPFSDB) Year 2006 relative value units (RVUs);
- Update the Medicare Clinical Laboratory fee schedule (MCLFS);
- Implement a one percent (1%) vendor rate increase; and
- Introduce a combined OPPS/Outpatient Hospital fee schedule
- Update policy; and
- Update the Revenue Code table

Maximum Allowable Fees

HRSA is updating the Outpatient Hospital Program fee schedule with Year 2006 RVUs. The 2006 Washington State Legislature appropriated a one percent (1%) vendor rate increase for the 2007 state fiscal year. The maximum allowable fees have been adjusted to reflect these current conversion factors and changes.

These fees are applicable for non-OPPS hospitals subject to fee schedule methodology and OPPS hospitals when nationwide rates are not available.

Fee Schedules

Effective for dates of service on and after July 1, 2006, HRSA has combined the Outpatient Hospital fee schedule and the OPPS fee schedules.

Visit HRSA's web site at <http://maa.dshs.wa.gov>. To view a current fee schedule, click **Provider Publications/Fee Schedules**, then **Accept**, then **Fee Schedules**.

Bill HRSA your usual and customary charge.

Budget Target Adjustor

Effective for dates of service on and after July 1, 2006, the OPPS budget target adjuster will be **0.861%**.

Added Codes

Effective for dates of service on and after July 1, 2006, HRSA will add the following procedure codes to HRSA's all inclusive Outpatient Hospital fee schedule:

Procedure Code	Brief Description
92612	Endoscopy swallow tst (fees)
92614	Laryngoscopic sensory test
92616	Fees w/laryngeal sense test
93798	Cardiac Rehab
95971	Analyze neurostim, simple
95972	Analyze neurostim, complex
95973	Analyze neurostim, complex
97542	Wheelchair mngmnt training
D0240	Intraoral occlusal film
D0270	Dental bitewing single film
D0272	Dental bitewings two films
D0274	Dental bitewings four films
D0330	Dental panoramic film
D0340	Dental cephalometric film

Authorization Changes

MRI/MRA, Hysterectomies, Bladder Repairs

HRSA no longer requires any form of authorization for MRIs/MRAs, hysterectomies, or bladder repairs.

PET Scans

HRSA no longer accepts Expedited Prior Authorization (EPA) for PET Scans. All PET Scans require PA.

Effective for dates of service on and after July 1, 2006, the following procedures codes **require** PA:

Type of Prior Authorization Required	Procedure Code	Brief Description
PA	29877	Knee arthroscopy/surgery
PA	42145	Repair palate, pharynx/lesion
PA	63650	Implant neuroelectrodes
PA	63660	Implant neuroelectrodes
PA	63685	Insrt/redo spine n generator
PA	63688	Revise/remove neuroreceiver

Breast Surgeries

HRSA pays for breast removal and breast reconstruction surgeries without prior authorization for the following diagnosis codes only:

Diagnosis Codes	
V10.3	879.0-879.1
174.0-175.9	906.0
757.6	906.8
759.9	942.00-942.59

Breast removal and breast reconstruction surgeries performed under any other diagnosis codes require Prior Authorization.

Bundled Revenue Codes

Note: Reminder for OPPS providers, HRSA bundles revenue codes according to CMS guidelines with the following exception:

- HRSA does not bundle Revenue codes 0720, 0721 and 0942. Revenue code 0942 is restricted only to approved Diabetic Education providers.

Cardiac Rehabilitation

HRSA pays for Cardiac Rehabilitation (CPT[®] code 93798) with continuous ECG monitoring only when billed with diagnosis codes: 410.0-410.9, 413.0-413.9, V45.81, or V45.82.

Coverage Changes

Effective for dates of service on and after July 1, 2006, the following procedures codes are **not** covered:

Procedure Code	Brief Description
90748	Hep b/hib vaccine, im
G0123	Screen cerv/vag thin layer
G0143	Scr c/v cyto,thinlayer,rescr
G0144	Scr c/v cyto,thinlayer,rescr
G0145	Scr c/v cyto,thinlayer,rescr
G0147	Scr c/v cyto, automated sys
G0148	Scr c/v cyto, autosys, rescr
G0123	Screen cerv/vag thin layer
G0143	Scr c/v cyto,thinlayer,rescr
G0144	Scr c/v cyto,thinlayer,rescr
G0145	Scr c/v cyto,thinlayer,rescr
G0147	Scr c/v cyto, automated sys
G0148	Scr c/v cyto, autosys, rescr
J3590	Unclassified biologics
J7500	Azathioprine oral 50mg
J7502	Cyclosporine oral 100 mg
J7504	Lymphocyte immune globulin
J7506	Prednisone oral

Dental Reimbursement

All dental supplies and services provided in a dental clinic will be paid according to the dental fee schedule. **Dental supplies billed on the hospital claim, may not also be billed on a dental claim form.**

Injectable Drug Updates

HRSA updates the maximum allowable fees for injectable drugs quarterly. Current and past fee schedules are posted on HRSA's website at <http://maa.dshs.wa.gov> (Click on Provider Publications/Fee Schedules, then Fee Schedules). All fees have been updated at 106% of the average Sales Price (ASP) as defined by Medicare. If a Medicare fee is unavailable for a particular drug, HRSA will price the drug at 86% of the Average Wholesale Price (AWP).

Observation Policy Clarification

HRSA pays OPPS hospitals separately for the observation Ambulatory Payment Classification (APC) when the stay is medically necessary for 8 or more hours. For stays less than 8 hours, HRSA may reimburse for the direct admit APC if applicable.

Revenue Code Table Update

HRSA has updated the revenue code grid as follows:

Revenue Code	“CodeReq” prev	“CodeReq” now
0260	REQ	NR
0262	REQ	NR
0263	REQ	NR
0280	REQ	NR
0290	REQ	NR
0390	REQ	NR
0391	REQ	NR
0621	REQ	NR
0622	REQ	NR
0623	NR	REQ
0631	REQ	NR
0632	REQ	NR
0633	REQ	NR
0762	REQ	NR
0811	REQ	NR
0943	NA	REQ

Revenue Code	“OP” prev	“OP” now
0621	F	R
0622	F	R
0940	F	R
0943	N	F

STAT Laboratory Services

Retroactive to dates of service on and after January 1, 2006, HRSA has added CPT codes 86367 and 86923 to the list of allowed stat lab services.

Sleep Studies

HRSA pays for sleep studies when deemed medically necessary. The following diagnosis codes are considered medically necessary: 327.10, 327.11, 327.12, 327.14, 327.20, 327.21, 327.23, 327.26, 327.27, 327.42, 327.51, 347.00-347.11, 780.51, 780.53, 780.54, 780.57.

Surgical Treatment for Sleep Apnea

HRSA requires PA for surgical treatment for obstructive sleep apnea (OSA) or upper airway resistance syndrome (UARS). HRSA requires PA for the following procedure codes when billed

with diagnosis code 327.23 (obstructive sleep apnea) or 780.57 (unspecified sleep apnea): 21199, 21685, 42120, 42140, 42145, 42160, or 42299.

Note: Due to its licensing agreement with the American Medical Association (AMA) regarding the use of CPT codes and descriptions, HRSA publishes only the official brief descriptions for all codes. Please refer to your current CPT book for full descriptions. CPT codes and descriptions are copyright 2004 American Medical Association.

National Correct Coding Initiative

HRSA continues to implement the National Correct Coding Initiative (NCCI) policy. The Centers for Medicare and Medicaid Services (CMS) created this policy to promote national correct coding methods. NCCI assists HRSA to control improper coding that may lead to inappropriate payment. HRSA bases coding policies on:

- The American Medical Association's (AMA) Current Procedural Terminology (CPT®) manual;
- National and local policies and edits;
- Coding guidelines developed by national professional societies;
- The analysis and review of standard medical and surgical practices; and
- Review of current coding practices.

HRSA may perform a post-pay review on any claim to ensure compliance with NCCI. Visit the NCCI on the web at <http://www.cms.hhs.gov/physicians/cciedits>.

Billing Instructions Replacement Pages

Attached are updated pages i – ii and F.1 – F.2 with a link to the new combined fee schedule for HRSA's current *Outpatient Hospital Services* and *OPPS Billing Instructions*.

How do I conduct business electronically with HRSA?

You may conduct business electronically with HRSA by accessing the WAMedWeb at <http://wamedweb.acs-inc.com>.

How can I get HRSA's provider documents?

To obtain HRSA's provider numbered memoranda and billing instructions, go to HRSA's website at <http://maa.dshs.wa.gov> (click on the ***Billing Instructions/Numbered Memoranda*** or ***Provider Publications/Fee Schedules*** link).

To request a free paper copy from the Department of Printing:

1. **Go to:** <http://www.prt.wa.gov/> (Orders filled daily.)

- a) Click ***General Store***.
 - b) If a **Security Alert** screen is displayed, click **OK**.
 - i. Select either ***I'm New*** or ***Been Here***.
 - ii. If new, fill out the registration and click ***Register***.
 - iii. If returning, type your email and password and then click ***Login***.
 - c) At the **Store Lobby** screen, click ***Shop by Agency***. Select ***Department of Social and Health Services*** and then select ***Health and Recovery Services Administration***.
 - d) Select ***Billing Instructions, Forms, Healthy Options, Numbered Memo, Publications, or Document Correction***. You will then need to select a year and then select the item by number and title.
2. **Fax/Call:** Dept. of Printing/Attn: Fulfillment at FAX 360.586.6361/telephone 360.586.6360. (Orders may take up to 2 weeks to fill.)

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Outpatient Hospital Procedure Codes and Fee Schedule

		7/1/04
		Maximum
		Allowable Fee
<u>Procedure</u>	<u>Description</u>	<u>Facility Setting</u>
<u>Code</u>		

STAT Charges

STAT charges are payable when a sudden, unexpected event occurs which requires immediate action, and laboratory test results are needed to manage the patient in a true emergency situation. Tests must be specifically ordered as "STAT." Limited to one STAT charge per episode, not once per test.

<i>S3600</i>	Stat Lab	\$3.35
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The Outpatient Hospital Services Fee Schedule (previously found on pages F.1 – F.52) is now combined with the OPPS Fee Schedule, click Outpatient Fee Schedule link below.

<http://maa.dshs.wa.gov/hrates/New%20Web%20Pages/July06ONline72006.xls>

(CPT codes and descriptions are copyright 2005 American Medical Association.)

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